



CITY OF WASILLA

290 E. HERNING AVE.
WASILLA, ALASKA 99654-7091

COUNCIL MEMORANDUM NO. 94-82

Area Code (907)

- Administration
Ph: 373-9055
Fx: 373-9085
- Clerks Office
Ph: 373-9065
Fx: 373-9085

From: Deputy Administrator
 Date: November 22, 1994
 SUBJECT: CAPITOL AIRWAYS INC.'S PROPOSAL FOR WASILLA MUNICIPAL AIRPORT PROPERTY LEASE AND FUEL DISPENSING FACILITY

- Finance
Ph: 373-9070
Fx: 373-9085

The City has received an application from Capitol Airways Inc. to construct and operate a fuel dispensing facility at the Wasilla Municipal Airport.

- Library
Ph: 376-5913
Fx: 376-2347

Over the past couple of years the City has solicited proposals for the provision of an aircraft fuel dispensing facility to be constructed and operated at the Wasilla Municipal Airport.

- Museum
Ph: 373-9071
Fx: 373-9072

Limited interest has been shown, but no written proposals have been received until the submittal by Capitol Airways Inc.

- Planning
Ph: 373-9074
Fx: 373-9085

The application has been forwarded to the Wasilla Planning Commission with no official action taken as a result of those members in attendance wishing for the members absent to study the proposal. Of the members present there was no opposition to this proposal.

- Public Works
Ph: 373-9095
Fx: 373-9085

The City has budgeted \$75,000, over FY94 and FY95, in its Capital Projects accounts (Fund 2 - 405.9301) for the pursuit of establishing a fuel dispensing facility at the Wasilla Municipal Airport.

- _____
Ph: _____
Fx: _____

In order to pursue the timeliness of the proposal's construction schedule it is necessary to advance this proposal to the Council level.

Recommendation: (1) Council approval for Administration to pursue negotiating the application/proposal for Capitol Airways Inc. to lease property at the Wasilla Municipal Airport and provide fuel dispensing facilities, PENDING, the official approval of the Wasilla Planning commission.

Lee A. Wyatt

Lee A. Wyatt
Deputy Administrator

APPROVED

DATE: 11-28-94

BY: [Signature]



CITY OF WASILLA


290 E. HERNING AVE.

WASILLA, ALASKA 99654-7091

PHONE: (907) 373-9050

FAX: (907) 373-9085

PLANNING COMMISSION MEMORANDUM NO. 94-17

From: Duane Dvorak, City Planner 

To: Wasilla Planning Commission

Date: November 4, 1994

Subject: Review of a land leasing proposal for the Wasilla Airport.

BACKGROUND

Procedures for leasing land at Wasilla Airport are contained in Section 7.16.120 of the Wasilla Municipal Code (WMC). Section 7.16.120.B. (Application to Lease Airport Property) of the Wasilla Municipal Code requires that all applications to lease airport land be submitted to the Wasilla Planning Commission at a regularly scheduled meeting. The Commission is required to consider the application, which may include a presentation by the applicant, and to make a recommendation by motion to the City Council. The Commission can recommend approval, denial or approval with specific changes or conditions.

There is no specific criteria referenced for airport lease reviews, however, the Commission can determine from a practical standpoint whether the use is consistent with applicable City plans and will benefit the overall operation of the Wasilla Airport.

Staff was not able to review the application at the time this memorandum was prepared. The City Public Works Director will be available to the Commission at the regular meeting to answer any questions about this lease application. If the Commission is satisfied with the information presented at the regular meeting, then the Commission should make a recommendation to the City Council by motion.

A copy of the application review procedure from the WMC is attached to this memorandum. In addition, staff will attach the applicable sections from the City's comprehensive plan addressing Wasilla Airport development.

RECOMMENDATION

Staff recommends that the Commission forward this lease application to the City Council with a recommendation for approval. If the Commission has any concerns after reviewing the proposed lease, then the Commission should recommend reasonable changes or conditions of lease approval that would address those concerns.

APPROPRIATE MOTION

Should the Commission agree with the staff recommendation, the appropriate motion would be as follows:

Move to forward an application to lease land at Wasilla Airport to the Wasilla City Council, in accordance with Section 17.16.120 (Lease of Airport Lands) of the Wasilla Municipal Code, with a recommendation that Council approve the lease proposal (with or without conditions).

C. Leases for public purpose. Application for a lease for public purposes shall be made in the same manner as other applications and shall contain a plan for development and use of the property requested. The Council shall, in each case, determine that the proposed usage of City property is for a worthwhile public service, that there will be no discrimination in providing service, and that the usage is nonprofit. The City may, from time to time, make such other requirements as it deems proper before the issuance of such leases. Failure to carry out such plan as submitted and agreed upon may result in revocation of the lease. (Ord. 85-18 §3 1985; Ord. 88-46 §2 1988)

7.16.120 Lease of Airport Lands.

A. General.

1. All the airport lands within the limits of the City to which the City holds title may be leased as hereinafter provided. In deference to the special circumstances of airport operations and related economic requirements the lease of airport lands shall be conducted in accordance with the provisions of this section and to the exclusion of leasing regulations pertaining to other lands.

2. The intent of the City is to generate a fair market return for lease of property with due consideration to the need to maximize income to compensate for airport maintenance costs. The City Council shall establish the lease rate for airport lands on an amount per square foot per year. The amount that is established as fair market value may be determined by review of other airport land lease rates in South Central Alaska, by use of an independent professional appraiser, or by any other methodology deemed reasonable by the Council. The then effective lease rate shall be incorporated into leases of airport lands.

3. In recognition of a need for lessors to have a reasonable assurance of stability in future lease rates, all leases shall provide for a redetermination of the lease rate for each lot or parcel to be made on the fifth (5th) anniversary of each lease. All leases of lands on the airport shall include language to the following effect: "At each five-year interval, the fair market value shall be determined by the City Council in a manner deemed appropriate by Council. The redetermined lease rate shall be limited to a maximum of a fifty percent (50%) increase in the prior lease rate until the 30th year anniversary of the lease after which the five-year lease rate redetermination shall not be subject to the fifty percent (50%) cap provision.

4. The City Council shall establish, and from time to time may redetermine or change, the lease rate for airport property by resolution.

B. Application to Lease Airport Property.

1. Applications to lease airport property shall be submitted to the Wasilla Planning and Utilities Commission for consideration and recommendation during a regularly scheduled meeting. Eight copies of applications must be received by the City Clerk not less than 10 days prior to a meeting at which the application will be considered.

(a) Applicants shall pay a \$25.00 filing fee with their application. Information required in the application must include as a minimum:

*
Commission
Review
Procedures

(1) Name(s), address, phone number of applicant(s).

(2) Identification of lot for which lease application is made. Alternate lots that would be suitable to the applicant should be identified.

(3) Specific nature of commercial activity(s) to be conducted on the leased land.

(4) Scale drawing depicting location of lot in relation to adjoining lots and facilities and dimensions including heights of buildings proposed to be constructed or placed on the leased lot.

(5) Proposed location of sewer and water facilities.

(6) The proposed use, dollar value, and type of materials proposed for structures.

(7) The date construction is estimated to commence and estimated date of completion (maximum of two years).

(8) Written business plan including investments, services, and number of employees.

(b) The Planning and Utilities Commission may hear an applicant's presentation and responses to commissioner questions. The Commission may recommend to City Council that an application for lease of airport lands be approved, denied, or approved with specific changes or conditions. The Commission's recommendation will be in the form of a formal motion and recorded in the minutes.

2. The Commission's recommendations and the development plan will be forwarded to the Airport Manager or his designee for review and preparation for consideration by the City Council.

(a) The Airport Manager shall determine if any administrative costs will be incurred prior to consummation of the lease and will estimate the total amount of those costs. Potential costs may be in the nature of surveying, subdividing, replatting, appraisals, legal, administrative or other costs.

(b) Prior to review of the application by Council, the applicant shall deposit with the City an amount equal to the estimated costs as provided in paragraph a above. Upon execution of the lease, any funds remaining shall be returned to the applicant. Costs incurred in excess of the deposit must be paid prior to execution of a lease. Funds will not be expended until City Council approves the application, after which any funds expended to meet conditions or requirements to consummate the lease shall not be returned to the applicant, regardless whether or not the lease is consummated.

3. The City Council will review the application and the recommendation of the

Commission in managing and planning for the new airport.

Access. Figure 30 shows existing and recommended airport access roads and land use. Present highway access to the airport is from the Parks Highway via Rocky Ridge Road and Neuser Drive. This access involves driving about four miles west on the Parks Highway and negotiating a high-speed left turn (without a turn lane) onto Rocky Ridge Road. There is currently no direct access between the airport and downtown Wasilla. While adequate for initial use of the airport, safe and convenient road access to downtown Wasilla is an important future transportation need. In addition, there is no road access to the new airport from the Knik-Goose Bay Road, that does not involve driving through Wasilla.

Two new access roads to the airport are recommended as part of this plan. First, Church Road should be extended across the Alaska Railroad mainline and west to the airport. DOT&PF estimates this option would cost \$1.45 million. Second, Mack Road should be developed northward from the Knik-Goose Bay Road, providing access from the south. Developing Clapp Road would be an alternative to Mack Road.

The Alaska Railroad mainline crosses the airport property northeast of the runway, providing an opportunity for sidings or spur lines if airport-related industrial use becomes viable in the future. The railroad also represents a barrier to effective float plane use on Jacobsen Lake, however, and a road-railroad crossing is needed to access the lake.

Land Use. DOT&PF has prepared an airport layout plan which provides the basis for initial land use within the airport boundaries. The new airfield is considerably larger than its predecessor, and includes a 3,700 foot runway,

appropriate safety and clearance zones, 112 tie-down spaces and nine lease lots totaling about 414,000 square feet in area. These lots vary in size from 30,375 square feet to 52,875 square feet. A rotating beacon is placed at the highest elevation, 405 feet. The Museum of Alaska Transportation and Industry occupies the northwest corner of the airfield next to the Alaska Railroad.

The airport has been designed to meet Wasilla's needs far into the future. In addition to the nine lease lots now completed, the airport layout plan provides for an additional 1.1 million square feet of aircraft parking and leasing space north of the runway, and an additional 500,000 square feet of leasing area south of the runway. Provision is also made for a parallel taxiway.

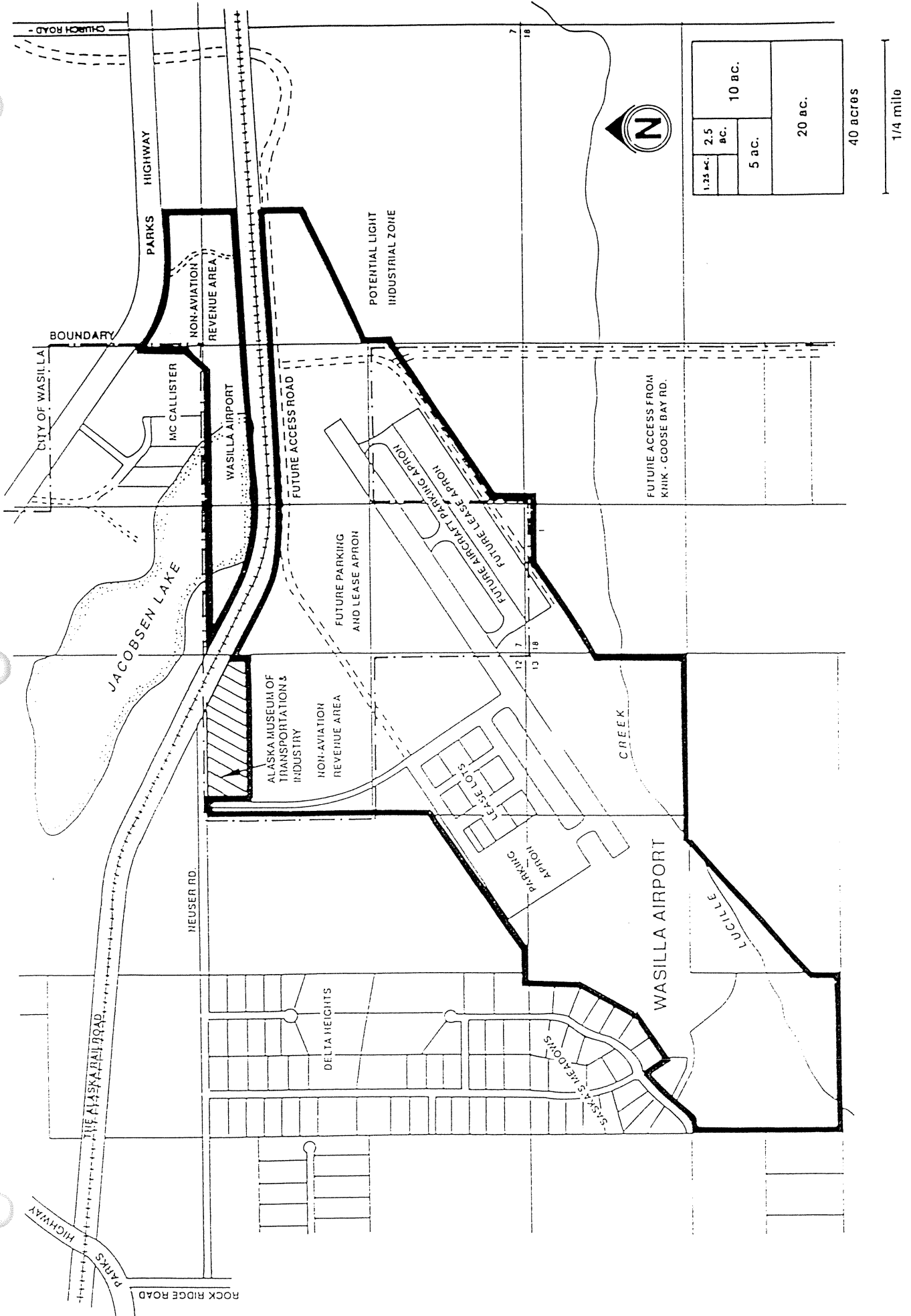
Existing land use around the airport perimeter is compatible with general aviation use. Land to the west is generally low density residential. The Alaska Railroad, Jacobsen Lake and the Parks Highway border the airfield to the north. Undeveloped land, including Lucille Creek, surrounds the airport to the east and south.

Land use around municipal airports is controversial for many cities which find themselves unable to contain incompatible urban growth. Wasilla has an important opportunity to provide economic development opportunities and simultaneously prevent unwanted land use in the vicinity.

In general, compatible land uses near airports include:

- ◆ Aviation-related businesses and infrastructure;
- ◆ Light industrial activity benefiting from transportation services available at the airport;
- ◆ Outdoor recreation areas such as golf courses;

Handwritten note: Airport Use



1.25 ac.	2.5 ac.	10 ac.
	5 ac.	
		20 ac.
40 acres		

Figure 30 NEW WASILLA AIRPORT PLAN

- ◆ Agriculture;
- ◆ Open space, lakes, wetlands and forested areas;
- ◆ Low density residential areas not affected by aircraft noise or flight patterns;

Incompatible land uses include:

- ◆ Medium and high density residential areas;
- ◆ High towers and structures interfering with current or potential flight paths;
- ◆ Any use which cannot tolerate aircraft noise;
- ◆ Smoke-generating businesses;
- ◆ Commercial businesses which are not aviation-related;
- ◆ Schools and other institutional uses involving large groups of people;
- ◆ Any land uses, such as municipal landfills, which attract birds.

Ideally, the airport should accommodate wheels, skis and floats. Willow is the only competitive airfield with this capacity. However, Wasilla has the advantage of being more centrally located to a larger population base. The City should consider adding a winter ski runway paralleling the existing runway, plus road access and float plane docking facilities on Jacobsen Lake.

The immediate challenge for the City, however, is to attract a complimentary set of land uses which will establish the airport as a viable asset to the community. The City intends to lease eight of the nine lots and all 112 tie-down spaces for private use. The ninth lease lot will be reserved for City use.

Airport development should be phased to meet a desired set of target uses. In general, community airports evolve as follows:

- ◆ A small landing strip and tie-down facility for local and transient light aircraft;
- ◆ Commercial base of operation for aircraft servicing, charter and maintenance and other aviation-related businesses; and
- ◆ Commercial base of operation for region-serving passenger and/or cargo services.

The City desires to establish a financially viable airfield by meeting the first two target uses described above. The long term goal is to develop the Wasilla airfield as a multi-use, full-facility airfield. Lease lot pricing, incentive and development policies should be oriented to attracting and retaining a set of complimentary commercial businesses.

Leasing airport space is similar to leasing space in a shopping mall -- success or failure depends upon attracting an "anchor" establishment. The following list of general aviation anchors is shown in order of priority:

- ◆ Aircraft fuel supplies -- to be provided as close as possible to both permanent and transient parking areas;
- ◆ Aircraft maintenance and repair -- to include mechanical, engine overhaul and aircraft painting and upholstery;
- ◆ Air taxi services -- charter, rental, lease;
- ◆ Flight training schools;
- ◆ Aircraft equipment, parts and supplies (retail);

These recommendations reflect input from previous surveys, analysis of established aviation-related business types at competitive airports and the judgments of pilots and consumers. Two general conclusions: 1) aircraft fuel supply is a fundamental need, and 2) aircraft maintenance and repair, and air taxi

operations are the most common "anchor" businesses at community airports.

While technically a non-aviation related business, sit-down coffee shops are popular attractions at many airports and are normally provided in aircraft terminals and waiting areas. If permitted under FAA guidelines, a coffee shop or restaurant should be encouraged at the new Wasilla airport.

Lease Rates. Lease rates should be carefully evaluated. The City is proposing lease rates substantially higher than those offered by competitors. In addition, other airports have unused lease lot capacity. Unless special amenities or incentives are provided, the Wasilla facility may not be competitive at rates higher than other established airfields.

Airport Facilities Needs Assessment.

Initially, electric power is the only utility provided to the lease lot area and for runway, taxiway and perimeter flood lighting. On-site water and sewer seems reasonable for the foreseeable future.

Aviation Fuel Service. Access to a reliable fuel supply is critical, especially for attracting and retaining transient traffic. The first choice is an on-field operator with manned pumps or truck service. Operators should be required to maintain a 24-hour a day fueling capacity by supplying a credit card pumping station.

Security. Providing effective airport security measures is extremely important to aircraft owners and pilots. If the Wasilla airport can market and deliver effective security for the parking apron areas, a competitive edge will be gained over many other local airfields. Without a municipal police department, however, the City is limited to contracting for part-time security forces. DOT&PF has constructed four apron floodlights for 24-hour

illumination of the parking apron, but the area is neither fenced, nor gated.

24-Hour Per Day Personal Amenities.

The City must move quickly and decisively to provide customer services which will attract and retain business. Basic amenities which are essential, but often not available, include:

- ◆ Public telephones;
- ◆ Rest rooms;
- ◆ A shuttle or taxi service to and from town;
- ◆ A change machine;
- ◆ Visitor information;
- ◆ Snack and beverage machines

Locally-crafted wooden signage (e.g. "Welcome to Wasilla") would provide opportunities for local artisans, and create an authentic character for an otherwise sterile airfield. The basic amenities list could be provided on the City's lease lot, or made part of a leasing package to a fixed-base operator.

Wash Rack Facilities. At a minimum, the City or an operator should provide a water source and long hoses close to the tie-down and transient parking areas to enable pilots to wash their aircraft. Ideally, a taxi-through aircraft wash rack should be provided.

Internal Circulation and Amenities.

Internal circulation seems well designed for a typical uncontrolled airfield. Aircraft landing on Runway 21 would taxi directly to parking, while those landing on Runway 03 must taxi back on the runway to reach parking. A proposed parallel taxiway would resolve this problem.

The apron area consists of 84 assigned aircraft tie-down spaces, plus 28 spaces for transient parking. The City needs to lease as many of these tie-down spaces as possible to establish a

SEP-27-94 TUE 8:48 HOEGER PEARCE ENT. INC. 2588247 P.02

September 25, 1994

Ed Hoeger and Mike McCrary
Capitol Airways Inc.

Mr. Wyatt
City of Wasilla

RECEIVED
SEP 27 1994
City of Wasilla, Alaska

Dear Mr. Wyatt;

We were pleased to meet with you again this past August 18th. We were also pleased to find the City of Wasilla is now ready to formally enter negotiations with us for a final lease/contract consummation. Please be advised we will submit eight (8) copies of the application for airport property lease to the City Clerk by the end of business, Friday, September 30, 1994.

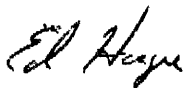
In general, the special circumstances of airport operations and related economic requirements and the intent of the city to generate a fair market return for lease of airport facilities and to generate income to compensate the City for maintenance costs of the City airport, is Capitol's consideration for joining the City in planning and development of Capitol's airport lease agreement.

The Planning and Utilities Commission, as I understand is not required to hear an application to make recommendation to the City Council but gives the airport manager the responsibilities of review and preparation for presentation of our application for lease

proposal to the City Council, by recommendation of the Planning and Utility Commission.

As you know, we realize our application for lease could have some possible additional costs to the City and, as we discussed in our August 18th meeting, you need some more information and time to further assess the sharing of the possible additional costs. In that your job duties include promoting and monitoring airport development and growth and you have received our pre-application correspondence in a favorable light, we look forward to working in cooperation with you to present a complete and sufficient application as to not expect major problems/changes at the City Council level. For our purpose of financing for permanent improvements to be placed on the leased premises, it is our intent to create a security assignment to the City of Wasilla and other appropriate lending sources.

Sincerely,



Ed Hoeger



Mike McCrary

APPLICATION
AIRPORT PROPERTY LEASE

- 1) Mike McCrary
Capitol Airways Inc.
243-4100
5340 Lakeshore Dr.
Anchorage, Alaska 99502

- 2) Application is for Wasilla Municipal Airport Lease Lots 1, 2 and 3

- 3) Principals are: Ed Hoeger
HC 02 Box 7482A
Palmer, Alaska 99645
258-3247

Mike McCrary
HC 04 Box 9916
Palmer, Alaska 99645
746-0249

- 4) Capitol Airways Inc. intends to conduct the following Air Commerce Activities at Wasilla Municipal Airport:
 1. Maintenance/Restoration: repair, overhaul, and or maintenance of aircraft and/or aircraft components
 2. Flight Training
 3. Aircraft Storage: 'T' hangars for rental customers and conventional tiedowns
 4. Fuel Sales: Aircraft System, stored underground to service avgas and jet fuel by personal card recognition.
 5. Aircraft Leasing, Renting and Sales
 6. Aircraft Charter - Freight, Passenger and Contract
 7. Air Commerce Activities not listed may not be not precluded

**APPLICATION
AIRPORT PROPERTY LEASE**

5) SEE ATTACHED MAP

6)	Lot #1	Aircraft Storage Units 78' x 50' x 22'	Concrete footings & floors steel beams metal siding & roofing \$38,000
	Lot #2	Aircraft Maintenance Facility 60' x 206' x 22'	Concrete footings & floors steel beams metal siding & roofing \$92,000
	Lot #3	Airport Terminal Facility 40' x 40' x 32'	Concrete footing conventional framing \$125,000
		Fueling Facility 100' x 100'	Concrete pad & fueling island \$82,000

7) Capitol Airways Inc. is prepared to proceed with construction on Lot #1 after November 14, 1994.

8) Capitol Airways intends to develop a typical, fully integrated, air commerce business operation with its corporate headquarters and primary base of operations on the Wasilla Municipal airport. The specifics have been introduced within this application. The plan includes ongoing capital investments in aircraft, buildings and grounds facilities. By the end of the first year, it is estimated that Capitol Airways will have a completed office, with septic and water, a fuel dispensing facility, a hangar/maintenance facility, (2) aircraft storage "T" hangars, with four aircraft doing flight instruction or charter. At least, four people will be employed full-time. The total capital investment at the end of the first year is expected to exceed two hundred thousand dollars.

Capitol Airways Inc. principals have reviewed and commented on the City's Draft Airport Lease Contract, the Code which governs lease of Municipal Airport lands, and reviewed the fuel permitting regulations and are already familiar with environmental regulations and building codes in Alaska and the associated state and federal standards that govern air commerce activities.

**APPLICATION
AIRPORT PROPERTY LEASE**

DEVELOPMENT PLAN:

Consummate lease/contract with City of Wasilla.....November 1994
for Airport Lease Lots 1,2 & 3


Construct Aircraft Storage 'T' Hangar on Lot #1December 1994
and use as temporary maintenance
facility until permanent hangar is
completed

Install Fuel System on Lot #3April 1995

Begin construction of permanent hangarAugust 1995
facility on Lot #2 to be
completed.....November 1995

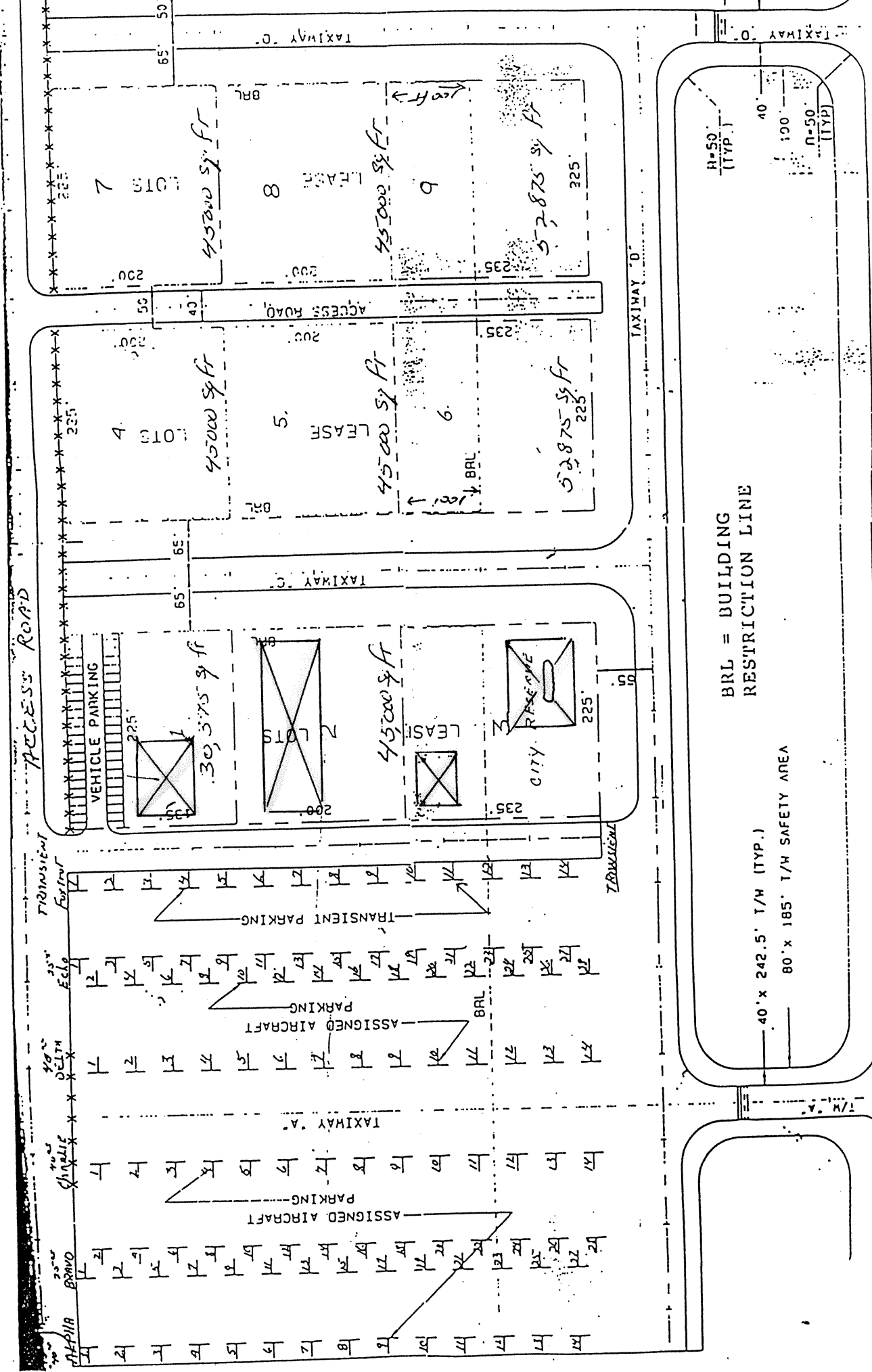
Construction of Airport Terminal FacilityAugust 1996
on Lot #3 to be completedDecember 1996

Application submitted on behalf of Capitol Airways Inc. by:

 _____, October 3, 1994

Mike McCrary

- Lot #2 Aircraft Maintenance Facility 60' x 206' x 22'
- Lot #3 Airport Terminal Facility 40' x 40' x 32'
- Fueling Facility 100' x 100' (concrete pad & island)



BRL = BUILDING RESTRICTION LINE

40' x 242.5' T/W (TYP.)
80' x 185' T/W SAFETY AREA

PROPOSAL

New Wasilla Airport

24 hr. Fueling Facility

February 10th, 1994

City of Wasilla
290 East Hering Avenue
Wasilla, Alaska 99654-7091
Attn: Lee Wyatt

Re: Aircraft Fueling Service at Wasilla Airport

Dear Sirs:

We would like to propose to install a Auto Gas System, namely the Auto Stik Jr.. There is also a detailed illustration which has been included for your approval of the system.

We are sure this state of the art fueling system will benefit the users at the New Wasilla Airport. We will, with your approval be installing this system on our leased lot #3 next to Transient parking.

This system has all of the safety features which make it one of the safest systems sold in the world. It will be monitored for everything continuously for any emergencies which might arise. Please be sure to read the information which has been furnished for you. The monitoring will be done by modem from the pumps to the office, and home. With the modem capabilities this will insure 24 hour hands on service. Monitoring will also be done on site.

What is meant by "monitoring will be done on site" is; our long term goal is to operate an F.B.O. on the same lot as our pumps which will help us both generate a revenue for the city of Wasilla. F.B.O. plans will be discussed in the very near future if this proposal is accepted.

My experience in the fuel service business is brief, although my experience has been extensive in both the construction and aviation field. I currently own and operate both an F.B.O. and a construction company. The F.B.O. is called Ed's Air Service located at the old Reeve hanger on Merrill Field. I lease the entire hanger and rent offices, hanger space, and tie downs. This company has been in business for two years and is being incorporated at this time under an umbrella corporation called Hoeger, Pearce and Hoeger Enterprises Inc.. The other company is called Ed Hoeger and Sons, Custom Renovations Inc., this entity has been in business for six years doing mostly commercial contracts. This company is also going to be included under the umbrella corporation.

I have fifteen years experience in the construction field working first as a laborer, carpenter, heavy equipment operator, quality controller and also as a superintendent on large government jobs, for large companies who were bidding in excess of 5 million plus. Resumes will be updated and furnished upon request.

At this time I would like to introduce my partner in this venture Michael McCrary. He is a very sincere, hard working individual, who currently owns and operates a 135 F.B.O. out of Lake Hood under the name of Raven Air. He is also employed as a pilot/mechanic for Phoenix Air, a company that contracts with the U.S. Airforce as a target plane. He is the pilot in charge of the Lear jets flights and maintenance scheduling. We have both been successful at running these businesses.

I would like to add the importance of good quality work. Starting with excavation of the proposed site on lot #3. What we envision is an Auto gas system being installed on the site which will consist of a 5000 gallon holding tank with two independent sides of 2500 gallons each. One of the 2500 gallons will be 100LL, the other 2500 gallons will be Jet A.

The tank to be installed will be of the highest quality it is a Sti-p3-5000 gallons two sided and double walled tank, detailed tank description is included in the attached submittal. After researching this tank with insurers and users we found this tank to be regarded most highly in the industry. We apologize for the illustration provided only showing a 2000 gallon sti-p3 tank and before construction would commence on the tank we would include a more detailed print to be reviewed for approval. Rest assured the tank design and manufacturing would be of the upmost quality and would include a 30 year manufacturer warranty.

We would like to add that the tank and the pump system we have talked about are a perfect mate for safety and convenience. We also believe with its ease of use the aviation community will love it!

After the installation of the tank and the control systems a sign off from a local Building Inspector backfill of the site will begin. We are going to construct a concrete pad for the pump and card machine to rest on, it will be approximately 5' wide, 15' long and 6" thick.

We will be installing one to two 400 watt lights on light sensitive switches that will insure visibility at night the pump will also be lit for safety reasons.

Also envisioned for this site which I briefly stated earlier in this proposal is the installation of a quality building to house the future F.B.O.. Being qualified to facilitate any aviation interests or activities on the field. We do not however have any plans such as building shape, size etc.. Therefore we would appreciate a positive response and commitment on your part to help achieve this goal.

Upon the acceptance of this proposal a construction schedule can begin. Time is of the essence in getting this project complete. Coordination is very important and it will take approximately thirty days to construct a Sti-p3 tank of this configuration and technology. All controls will be ordered, machinery will be coordinated and qualified personal hired to complete the job in a quality fashion. A complete construction schedule showing beginning to end of said construction along with permits to begin work and all inspections will be included in the schedule.

The estimated cost of this project consisting of the auto gas system, with card machine, labor, permits, etc. exceeds the amount allocated to complete this job by approximately \$12,569.00 bringing the total amount needed for this quality state of the art setup which will exceed the 1998 codes for tank storage facility, to \$62,569.00 without any profit on construction.

This loan would be interest free and paid back by Mr. McCrary and myself giving you along with our lease payments ten cents for each gallon of gas sold at the facility until the loan is paid off. If projected sales are good which they should be it would take approximately 5.3 years at one thousand dollars a month on ten cents a gallon if sales are 10,000 gallons a month. My twin engine aircraft for example burns sixteen gallons an hour, twenty hours a week, that is 320 gallons. My partners plane burns about the same , but flies more hours. Also lets not forget about expansion - more planes, more gas, more activity all adds up to more revenue which will be generated to amortize this loan more quickly.

We would also like to delete the additional five cents per gallon cost on this agreement until this loan is paid off at which time we would be happy to pay seven cents per gallon instead of five cents per gallon on the gas sold on the field. We feel this would be a fair agreement.

In closing I hope this proposal will be accepted favorably. We would enjoy being part of a new beginning at a new airport and seeing the Wasilla Airport succeed will be in all of our best interest. We feel very positive about the success and future of the new facility with the support of all of those involved.

Sincerely,

Edward Hoeger

Michael McCrary

enclosures

EH/lh